

# 2010 Schedule of Fees

## for the Suffolk Life MasterSIPP

where protected rights are held by Suffolk Life Annuities Limited  
(not applicable for new applications)

**This is a legally binding document between you and Suffolk Life. It is part of a set for plans where protected rights are held by Suffolk Life Annuities Limited, all of which should be read together. Please ensure you read the correct documents:**

- » Key Features
- » Personal Illustration
- » Schedule of Fees**
- » Schedule of Allowable Investments
- » Terms and Conditions

The letters 'SIPP' are rendered in a large, white, three-dimensional font. They are positioned on a light grey surface and cast soft shadows to the right, giving them a sense of depth and weight.

**SUFFOLKLIFE**  
THE INTELLIGENT APPROACH

This document helps you understand the fees for administering your SIPP. It also provides you with a comprehensive guide to all transaction costs, and answers frequently asked questions about our charges.

Where protected rights assets are held by Suffolk Life Annuities Limited and you also have non-protected rights at Suffolk Life, fees are charged for each of the non-protected rights and the protected rights plans. You may be able to benefit from lower fees by electing to move your assets into one plan under the Suffolk Life MasterSIPP where all assets are held by Suffolk Life Trustees Limited (ie. pool your benefits). We strongly advise you to consult your adviser before making any decision. Suffolk Life is unable to give you advice on the suitability of such a decision.

# What you need to know at a glance

We believe the intelligent way to present our fees is with transparency and openness. We have nothing to hide and by listening to the needs of advisers, we know that some fee information is more important to you, and should be available at a glance:

|  |  |
|--|--|
| 1. What is the annual fee for administering the Suffolk Life MasterSIPP?   | £490 per year for the first pension entitlement  |
| 2. What is the annual fee for administering my second pension entitlement within my Suffolk Life MasterSIPP where protected rights are held by Suffolk Life Annuities Limited? | £240 per year for the second pension entitlement   |
| 3. What is the cost to pool my non-protected and protected rights benefits?  | £0 if you elect to pool at your plan anniversary or at another time as determined by Suffolk Life, otherwise £100. |
| 4. What is the cost of cash transfers in?  | £0 where advisers meet our requirements (FAQ 4)  |
| 5. What is the cost of non-property investment purchase and sale transactions?   | £0 – e-investment affiliates (see FAQ 9) £25 to £75 – others   |
| 6. What is the cost of an income withdrawal facility?  | £155 per year (per sub-plan)   |

All fees quoted are exclusive of VAT.

# Detailed Schedule of Fees 2010 for the Suffolk Life MasterSIPP where protected rights are held by Suffolk Life Annuities Limited

Please also see the frequently asked questions about fees (FAQs) which form part of this schedule of fees.

VAT is not paid on fees incurred by the protected rights funds.

|  | Fee | Is VAT payable? | When is the fee taken? |
|--|-----|-----------------|------------------------|
|--|-----|-----------------|------------------------|

## Annual fees (FAQs 2 and 20)

|   |                        |     |            |
|---|------------------------|-----|------------|
| » 1st pension entitlement (either protected rights or non-protected rights) | £490                   | yes | in advance |
| » protected rights entitlement when held alongside other pension benefits   | £240                   | no  | in advance |
| » to prepare reconciled annual statement                                    | included in annual fee |     |            |
| » preparing and sending unreconciled statements of assets and liabilities   | included in annual fee |     |            |

## Transfers in (FAQs 4-6 and 20)

|   |   |     |                                |
|---|---|-----|--------------------------------|
| » in cash where your adviser fulfils our requirements                                 | nil   |     |                                |
| » in cash (per transfer)  | £75 (max £300)  | yes | upon completion of transaction |
| » <i>in specie</i> - basic fee  | £100  | yes | upon completion of transaction |
| - with transfers to an investment manager or fund supermarket account                 | additional £0   |     |                                |
| - where investments to be held direct with the fund provider                          | additional £25 per holding                                      | yes | upon completion of transaction |
| - where deeds of assignment are needed  | additional £25 per deed   | yes | upon completion of transaction |
| - where application forms and additional documentation from fund providers are needed | additional £25 per document                                     | yes | upon completion of transaction |
|   | max <i>in specie</i> transfer fee £300 (per transfer, per plan) |     |                                |

## Transfers out (FAQ 7 and 20)

|  |  |     |                                    |
|--|--|-----|------------------------------------|
| » in cash from the default SIPP bank account including where all investments are held by an e-investment affiliate and these have been sold            | nil  |     |                                    |
| » in cash from the default SIPP bank account where investments held by a non e-investment affiliate have been sold                                     | nil (normal investment transaction fees may apply) | yes | upon completion of the transaction |
| » to an overseas pension scheme (must be treated as a crystallisation event). If <i>in specie</i> , the <i>in specie</i> transfer out fee also applies | £155   | yes | upon completion of the transaction |
| » <i>in specie</i> – basic fee   | £100   | yes | upon completion of the transaction |
| - where investments are held with e-investment affiliate   | additional £0                                      |     |                                    |
| - where investments are held with non e-investment affiliate   | additional £25 per holding                         | yes | upon completion of the transaction |
| - where deeds of assignment are needed   | additional £25 per deed                            | yes | upon completion of the transaction |
| - where additional documentation from a fund provider is needed  | additional £25 per document                        | yes | upon completion of the transaction |
|  | max <i>in specie</i> transfer fee £300             |     |                                    |
| » forwarding to receiving scheme those monies received after the SIPP is closed  | £100   |     | upon completion of the transaction |

No fees will be refunded in part or full when a transfer out is initiated. This includes but is not limited to establishment, annual and borrowing, property and income facility fees.

## Detailed Schedule of Fees 2010 for the Suffolk Life MasterSIPP where protected rights are held by Suffolk Life Annuities Limited (continued)

Please also see the frequently asked questions about fees (FAQs) which form part of this schedule of fees.

VAT is not paid on fees incurred by the protected rights funds.

|  | Fee | Is VAT payable? | When is the fee taken? |
|--|-----|-----------------|------------------------|
|--|-----|-----------------|------------------------|

### Contributions and connected party transactions (FAQs 3 and 20)

|  |  |     |                                    |
|--|--|-----|------------------------------------|
| » single contributions after establishment and variations to regular contributions   | in Sterling £25<br>in Euros or US Dollars £100             | yes | upon completion of the transaction |
| » refund of contribution (where allowed)   | £25  | yes | upon completion of the transaction |
| » connected party transaction - streamlined and stockbroker (or investment manager) transactions (stockbroker fees will still apply) | £75 per holding  | yes | upon completion of the transaction |
| » connected party transaction - manual transactions  | principally time cost estimated at around £300 per holding | yes | upon completion of the transaction |

### Investing in property (FAQs 13-17 and 20)

|  |  |     |                                    |
|--|--|-----|------------------------------------|
| » annual property facility fee (per pension plan per property)                               | £100   | yes | in advance                         |
| » purchase/transfer <i>in specie</i> acquisition fee   | principally time cost estimated at around £1,700 to £1,900 | no  | upon completion of the transaction |
| » annual property accounting fee (FAQ 15) (only for properties partly owned by Suffolk Life) | principally time cost estimated at around £600             | no  | in arrears                         |
| » annual property management fee (FAQ 14) (only for properties wholly owned by Suffolk Life) | principally time cost estimated at around £700             | no  | in arrears                         |
| » additional annual fee for VAT elected properties (per property)                            | £150   | no  | in arrears                         |
| » sale or disposal   | principally time cost estimated at around £600 to £800     | no  | upon completion of the transaction |
| » variation of proportion of property ownership  | principally time cost estimated at around £500 to £700     | no  | upon completion of the transaction |

### Other investments (FAQs 9-12, 20 and 22)

|   |                               |     |                                    |
|---|-------------------------------|-----|------------------------------------|
| » investments made through an e-investment affiliate (FAQ 9)  | nil                           |     |                                    |
| » investments not made through an e-investment affiliate in UK authorised unit trust/OEIC or insurance fund investments (per fund) (FAQ 10) | £25                           | yes | upon completion of the transaction |
| » other investment transactions   | £75                           | yes | upon completion of the transaction |
| » establish or process transaction on an alternative deposit account (including fixed term deposit accounts)                                | £25 streamlined<br>£75 others | yes | upon completion of the transaction |
| » establish investment account with investment firm with whom we have a global investment agreement   | nil                           |     |                                    |
| » establish investment account with other investment firms (FAQ 11)   | £100                          | yes | upon completion of the transaction |
| » additional annual fee for SIPP plans containing investments not held with an e-investment affiliate                                       | £100                          | yes | in advance                         |
| » corporate action (when processed via Suffolk Life)  | £25                           | yes | upon completion of the transaction |

# Detailed Schedule of Fees 2010 for the Suffolk Life MasterSIPP where protected rights are held by Suffolk Life Annuities Limited (continued)

Please also see the frequently asked questions about fees (FAQs) which form part of this schedule of fees.

VAT is not paid on fees incurred by the protected rights funds.

|  | Fee                | Is VAT payable? | When is the fee taken?             |
|--|--------------------|-----------------|------------------------------------|
| <b>Other costs (including banking/borrowing) (FAQs 17 and 20)</b>    |                    |                 |                                    |
| » day to day debits and credits (including BACS and cheque payments) | nil                |                 |                                    |
| » CHAPS payments   | £30                | yes             | upon completion of the transaction |
| » creation of temporary overdraft facility                           | £35                | yes             | upon completion of the transaction |
| » renewal of temporary overdraft facility (every 3 months)           | £100               | yes             | upon completion of the transaction |
| » establishment, variation, reduction or repayment of loan facility  | time-cost          | yes             | upon completion of the transaction |
| » annual borrowing facility fee per plan                             | £100               | yes             | in advance                         |
| » to prepare additional reconciled valuation                         | time cost min £100 | yes             | upon completion of the transaction |

## Benefits and payments (FAQs 8 and 20)

|   |      |     |                                    |
|---|------|-----|------------------------------------|
| » establishment of each unsecured income (UI) or alternatively secured pension (ASP) designation (per sub-plan) | £155 | yes | upon completion of the transaction |
| » annual income facility fee where income is taken (per sub-plan)   | £155 | yes | in advance                         |
| » review of income limits (per sub-plan) (carried out at least every 5 years)                                   | £155 | yes | upon completion of the transaction |
| » annuity purchase or processing of a death or terminal illness payment   | nil  |     |                                    |

## How does VAT apply to fees?

Non-protected rights plans are written under a trust arrangement, and therefore the fees are liable to VAT at the standard rate. Insurance arrangements are, however, exempt from VAT, and as commercial property and protected rights are held via a self-invested insurance policy no VAT will apply.

We will calculate all the VAT liabilities and collect these from your plan(s) as appropriate.

## Frequently asked questions about fees

References below to "we", "us" and "our" may be to Suffolk Life Pensions or Suffolk Life Annuities, as appropriate.

### Pension administration

#### 1. How do I set up a new plan?

The establishment fee will no longer apply for the Suffolk LifeMasterSIPP where protected rights are held by Suffolk Life Annuities Limited, as this is now closed to new business. Those wishing to establish a new plan should request the literature suite for the Suffolk LifeMasterSIPP.

#### 2. What is the annual fee for?

The annual fee includes the preparation of the reconciled annual statement, regular reconciliations during the year and fulfilling all regulatory requirements including all general communications.

Where appropriate, the annual fee also covers any requests to transfer out (subject to conditions) or to facilitate annuity purchase, and processing a death claim.

No fees will be refunded in part or full when a transfer out is initiated. This includes but is not limited to establishment, annual and borrowing, property and income facility fees.

#### 3. How do the fees for contributions work?

For all existing SIPPs, a fee will be applied to additional single contributions as well as any changes to existing regular contributions in place via Direct Debit or standing order.

#### 4. How do the fees for the transfer in of cash benefits work?

If the adviser presents correctly completed discharge forms and is prepared to chase the transferring pension scheme up to the point of the transfer being executed, no transfer fee will apply. Alternatively if we arrange it we will charge £75 per transfer, and if handling multiple scheme transfers at the same time, this fee will be capped at £300.

#### 5. How do the fees for an *in specie* transfer in work?

An *in specie* transfer is a more complex transaction for us to coordinate, and will also require the involvement of an adviser. Our costs will depend on how the assets are to be held. The *in specie* transfer fee is payable in addition to any property fees which are due if a property is transferred *in specie*.

## 6. How do you charge for the transfer in of partially crystallised funds?

A transfer of crystallised and uncrystallised benefits will attract only 1 transfer in fee (where applicable). For each separate crystallised element of the transfer, a sub-plan will be established and will attract fees for UI or ASP designation. In addition, annual income fees will be applicable for each sub-plan where income is being taken.

## 7. Do you charge for transfers out?

We do not charge for transfers out that consist solely of cash to a UK pension scheme (a transfer to an overseas pension scheme is chargeable as a crystallisation event). However we do charge transaction fees to disinvest assets to cash. No fees will be refunded in part or full when a transfer out is initiated. This includes but is not limited to establishment, annual and borrowing, property and income facility fees. Dividends and other monies may still be received by Suffolk Life following the transfer out and subsequent closure of the SIPP. These will be amalgamated over a period of 6 months after closure of the SIPP and forwarded to the receiving scheme less our fee. Should the fee exceed the value of the total value of the funds received in that time, no transfer will be made and Suffolk Life will retain the funds.

Fees for assets transferred out *in specie* are dependent on how the assets are held.

# Crystallisation and income withdrawal

## 8. What are your charges for going into unsecured income (UI) or alternatively secured pension (ASP) for?

The UI or ASP designation fee covers the work required to reconcile and revalue the SIPP in accordance with legislation and then pay benefits. If an investor is holding their non-protected rights and protected rights benefits in separate plans, they will be subject to separate fees to establish the UI or ASP designation for each plan.

If you choose to take income, an annual income facility fee will then be charged for each sub-plan from which income is taken in any year. This covers the administration of PAYE payroll, deduction of tax if required and making the appropriate returns to HMRC. Also included is the facility to vary the level and frequency of income payments.

# Investment related fees

## 9. Why do you charge for transactions not made through e-investment affiliates?

Where an investment manager, broker or fund supermarket does not supply electronic data in a form acceptable to us, we must receive paper contract notes and manually enter these into our systems, hence the charge. A purchase and sale are regarded as two transactions.

## 10. Is a single authorised unit trust/OEIC or TIP application for two funds one or two transactions?

This will count as two transactions. When we complete an application form for a directly held unit trust, OEIC or insurance company TIP, we apply a transaction fee for each individual fund purchased or sold but we cap the charge at £75 so a single application for three or more funds will attract a maximum charge of £75.

Where investments are to be made for both protected rights and non-protected rights, separate applications will need to be completed and fees charged accordingly.

## 11. Why are fees charged to set up some investment manager accounts and not others?

If you ask us to open an account with an investment manager with whom we have already been able to agree a global investment agreement, the account opening process is streamlined and so we do not charge an account opening fee. For other organisations we will need to enter into a manual multi-party investment agreement.

You can find an up-to-date list of organisations with whom we have a global investment agreement on our website.

## 12. Do your fees include the stockbroker's, etc, fees?

No, our investment transaction fees relate to the recording and reconciling of investment transactions by us and do not include stockbroker, investment manager or nominee fees and charges. Depending on what assets the SIPP invests in, additional charges may apply. For example, funds would typically be subject to an annual management charge.

# Property fees

## 13. How do you calculate fees for dealing with the purchase of property?

Our fee is principally time based reflecting time expended and the degree of responsibility involved. We will usually instruct the solicitor and valuer of your choice, giving you the opportunity to negotiate rates with them. Their fees, together with all disbursements relating to the acquisition, sale or management of any property, are payable from your SIPP.

## 14. What do you do for your property management fee?

We deal with all general property management issues including invoicing the tenant for rent, chasing any rent arrears, insuring the property on our block policy, invoicing the tenant for the insurance premium, making loan repayments and dealing with tenants' requests concerning matters such as assignments, underlettings and alterations. This fee is charged to the property account so where we wholly own the property on behalf of more than one SIPP plan it will be paid by each plan on a pro rata basis in accordance with the ownership percentage. This fee applies only to the properties wholly owned by Suffolk Life and not those jointly owned by Suffolk Life with another party. Property inspections are not included in the property management fee.

## 15. What do you do for your property accounting fee?

This fee does not apply when we wholly own a property on behalf of SIPP plan holders. Instead, it applies when we own a share of the beneficial interest in the property and the legal title is held by a nominee.

The fee covers our time spent:

- corresponding with the nominee;
- chasing the nominee for accounting information if necessary receiving funds from and transferring funds to the nominee;
- reconciling the nominee's accounts;
- posting this information on our system; and
- obtaining and recording details of the property insurance where the nominee insures or insuring the property where it has been agreed we will arrange the insurance.

This fee is charged to the property account so where we own a beneficial interest in the property on behalf of more than one SIPP plan it will be paid by each plan on a pro rata basis in accordance with the ownership percentage.

## 16. Do you charge VAT on property fees?

When we acquire a property or an interest in a property it is through Suffolk Life Annuities Limited (an authorised insurance company) or its nominee. Because insurance business is currently exempt from VAT, there is no VAT payable on any fees relating directly to the property investment. This includes the acquisition fee, management fee, accounting fee and fee for VAT elected properties, but not the annual property facility fee.

# Borrowing

## 17. What are the fees if my SIPP borrows money?

If your SIPP borrows to purchase property, the initial costs of dealing with the mortgage will be charged for principally on a time-cost basis as part of the overall purchase process.

If your SIPP borrows for any other purpose, there is a fee for arranging the loan and a facility fee for ongoing maintenance and monitoring of the loan, as set out in preceding pages of this schedule. Additional fees will be charged on a time-cost basis should the borrowing be varied, such as part or full repayment.

## General

### 18. Overdue fees

Interest is charged at 2% above Bank of Scotland base rate per annum on overdue fees payable to us after 30 days.

### 19. When are fees due?

Fees and interest are automatically payable from your SIPP on the appropriate date.

#### Payable in advance

The establishment fee and the first annual fee are due on the commencement date (as defined in your membership schedule). Subsequent annual fees are paid from your SIPP in advance on each subsequent anniversary. The income facility fee, property facility fee and borrowing facility fee when applicable are payable in advance. The first property facility fee is charged from the time it becomes payable to the next anniversary on a pro rata basis.

#### Payable in arrears

The property management fee and property accounting fee are taken in arrears. All other fees quoted are paid from your SIPP on completion of each transaction.

### 20. Do your fees increase?

We may increase fees annually by a percentage not materially exceeding the percentage increase in the monthly National Average Earnings index (the NAE) over the previous year. If the NAE ceases to be published or if the calculation of the NAE is altered we may substitute a comparable index.

We may at any time increase or amend all or any of our fees or charges payable from your SIPP in such a manner as we may determine.

We will give you three months' notice where we amend or increase any fees by an amount materially exceeding the percentage increase in NAE.

### 21. Do you receive any other income in relation to my SIPP?

Yes. Where the rate of interest earned by any SIPP bank account is less than the interest paid to Suffolk Life across all the accounts that Suffolk Life has with them, we will retain the difference.

We will also make arrangements for insuring, on our block policy, property held for your SIPP. If any income is earned by us in respect of such arrangements, we will retain it.

In certain circumstances we may also receive income from investment transactions (including transactions using Stocktrade) and the holding of investments by an investment firm (including those on the Cofunds platform).

### 22. Additional fees

We reserve the right to charge for additional services on a time-cost basis relevant to the expertise and seniority of our staff involved.

### 23. Is there anything else I should know?

If any of your SIPP's funds remain uninvested in the SIPP bank account, interest will be paid at the applicable rate. See the relevant Key Features document or our website for further details.

All expenses, charges and outgoings whether in respect of the investments contained in your SIPP (including the costs of purchase, sale, management, maintenance and valuation of freehold and leasehold properties, if any, and other investments) or other expenses however incurred shall be charged to your SIPP.

In the event of any levy or taxation being imposed on your SIPP under any statutory provision, we may recover from your SIPP an amount equal to the proportion of such levy or taxation that we may reasonably determine. This will be on a basis similar to how the levy, tax, liability, charge or other payment has been calculated.

## Glossary and Explanation of terms

|                                    |  |
|------------------------------------|--|
| <b>Administration</b>              | The process of looking after the SIPP on an ongoing basis. This includes but is not limited to many things such as providing a reconciled annual statement, setting up any initial regular contributions and reclaiming tax where appropriate. |
| <b>Connected party transaction</b> | The process by which the SIPP plan can purchase or sell assets directly from or to the individual or certain other parties.  |
| <b>Corporate action</b>            | An event initiated by a public company or collective investment scheme that affects the securities issued by that company and requires a response from Suffolk Life.   |
| <b>Crystallisation</b>             | The act of starting to take benefits (tax-free pension commencement lump sum and/or income) from the SIPP. It may also be called 'vesting'.  |
| <b>e-investment affiliate</b>      | A company with whom we're able to exchange information electronically, cutting out the need to manually handle paper.  |
| <b>Entitlement</b>                 | This encompasses the plan and all arrangements attached to the plan (for example, crystallised arrangements) for the particular element of benefits (ie. non-protected rights or protected rights.)  |
| <b>Establishment</b>               | The creation of a SIPP plan to the point where it is ready to be used.   |
| <b>Global agreement</b>            | An agreement between an investment manager or broker and Suffolk Life, which removes the need for individual investment agreements for each SIPP plan, resulting in lower SIPP administration costs for the investor.                          |
| <b>In specie</b>                   | The transfer of an asset other than cash from one pension provider to another.   |
| <b>Investment firm</b>             | A firm appointed by the plan holder to manage the investments within the SIPP on their behalf or act on an execution-only basis.   |
| <b>Lifetime annuity</b>            | A policy issued by an insurance company which provides a guaranteed income for life in exchange for a lump sum (your accumulated SIPP fund).   |
| <b>OEIC</b>                        | Open ended investment company a type of collective investment scheme.  |
| <b>Protected rights</b>            | This is the name given to the fund built up by contracting out of the state second pension.  |
| <b>Tax reclaim</b>                 | In most cases pension contributions receive tax relief and we reclaim 25p from HM Revenue and Customs for each £1 you pay as a contribution to your pension. This is added to your fund.   |
| <b>TIP</b>                         | Trustee investment plan.   |
| <b>Transfer in</b>                 | Transferring the value of pension benefits from an existing pension scheme to your SIPP either in cash or <i>in specie</i> (see above).  |

[www.suffolklife.co.uk](http://www.suffolklife.co.uk)

Suffolk Life is the trading name of Suffolk Life Pensions Limited (registered in England and Wales number 1180742) and Suffolk Life Annuities Limited (registered in England and Wales number 1011674).

Both companies are authorised and regulated by the Financial Services Authority.

Suffolk Life Pensions Limited is the operator and scheme administrator of the Suffolk Life MasterSIPP.

Suffolk Life Trustees Limited (registered in England and Wales number 6341296) is the trustee.

Suffolk Life Annuities Limited is an insurance company that provides the trustee investment plans to the trustee to hold commercial property investments or into which protected rights benefits are to be invested.

The registered address of all companies is 153 Princes Street, Ipswich, Suffolk, IP1 1QJ, United Kingdom.

Tel: 0870 414 7000. Fax: 0870 414 8000.

Telephone calls to Suffolk Life are recorded for training, monitoring and fact verification purposes.

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